

INDIANAPOLIS, INDIANA

First Lien Mortgage Lending License No. 21937
Subordinate Lien Mortgage Lending License
No. 9726

NOTICE OF CHARGES AND
EMERGENCY ORDER TO
REVOKE LICENSES UNDER
IC §24-4.4-2 and IC §24-4.5-3

1. Under the authority of IC §24-4.4-2 and IC §24-4.5-3, the INDIANA DEPARTMENT OF FINANCIAL INSTITUTIONS (the “Department”) hereby issues to OCWEN LOAN SERVICING, LLC (“Licensee”) this NOTICE OF CHARGES and EMERGENCY ORDER TO REVOKE LICENSE for violations of law, rule or regulation that the Department alleges have been committed by the Licensee under the Indiana First Lien Mortgage Act (IC §24-4.4 *et. seq.*) and the Indiana Uniform Consumer Credit Code (IC §24-4.5 *et. seq.*).
2. Further, the Director (“Director”) of the Department has determined that under IC §24-4.4-2-404(8) and IC §24-4.5-3-504(8) there is “just cause to believe an emergency exists from which it is necessary to protect the interests of the public” to proceed with revocation of a license under IC §4-21.5-4.

PARTIES

3. Licensee is a Florida corporation organized on or about May 1, 2002, with a principal office address at 1661 Worthington Road, Suite 100, West Palm Beach, Florida, 33409 and registered to do business in Indiana as a Foreign Limited Liability Company. Licensee is registered with the Nationwide Mortgage Licensing System & Registry (NMLS) with ID 1852, and holds a First Lien Mortgage Lending License No. 21937 (the "FLML License") under IC §24-4.4 *et seq.* as well as a Subordinate Lien Mortgage Lending License No. 9726 (the "SLML License") under IC §24-4.5-3.
4. The Department is charged with administration, regulation and enforcement of First Lien Mortgage Lending under IC §24-4.4 *et seq.* and Subordinate Lien Mortgage Lending under IC §24-4.5-3 (the "Law").

JURISDICTION

5. The Department is authorized to revoke a license under IC §24-4.4-2-404 which states in part:

Sec. 404. (8) If the director has just cause to believe an emergency exists from which it is necessary to protect the interests of the public, the director may proceed with the revocation of a license through an emergency or other temporary order under IC 4-21.5-4.
6. The Department is authorized to revoke a license under IC §24-4.5-3-504, which states in part:

Sec. 504. (8) If the director has just cause to believe an emergency exists from which it is necessary to protect the interests of the public, the director may proceed with the revocation of a license through an emergency or other temporary order under IC 4-21.5-4.

STATEMENT OF FACTS

7. The Director, pursuant to authority delegated to him by the Members of the Department, has considered the matter and determined that revocation of the License pursuant to IC §24-4.4-2-404 and IC §24-4.5-3-504 is warranted and that there is “just cause to believe an emergency exists from which it is necessary to protect the interests of the public.”
8. The Director has based such determination upon the following FINDINGS OF FACT:
 - a) The Multi-State Mortgage Committee (“MMC”) is a committee of state mortgage regulators, including the Department, who have agreed to address their enforcement concerns with Licensee in a collective and coordinated manner. On February 28, 2015, the states of Florida, Maryland, Massachusetts, Mississippi, Montana, and Washington (collectively, the “Examining States”) conducted a Multi-State Examination of Licensee in order to determine Licensee’s compliance with applicable federal and state laws and regulations, financial condition, and control and supervision of the licensed mortgage servicing operations. The Multi-State Examination of Licensee covered the period of January 1, 2013 to February 28, 2015.
 - b) During the examination, the Examining States identified several violations of state and federal law, including, but not limited to, consumer escrow accounts that could not be reconciled and willful and ongoing unlicensed activity in certain states.
 - c) The MMC examination found that Licensee has been unable to accurately reconcile many of the consumer escrow accounts in its portfolio. Consumer escrow accounts are accounts that contain consumer funds held for the payment of taxes and insurance. The MMC examination further found that Licensee failed to make timely disbursements to

pay for taxes and insurance from escrow accounts on numerous loans. The MMC examination also found that Licensee routinely sent consumers inaccurate, confusing and/or misleading escrow statements.

- d) Based on the findings of the examination and subsequent communications with Licensee, the state regulators and Licensee entered into a Memorandum of Understanding (MOU) on December 7, 2016, in which the Department participated.
 - e) The MOU required Licensee to retain an independent auditing firm to perform a comprehensive audit and reconciliation of all consumer escrow accounts, with a report to be furnished by the Auditor to Licensee and the MMC within five business days thereafter. The audit plan was to be submitted to, and approved by, the MMC no later than January 13, 2017.
 - f) Licensee's response to the state regulators on January 13, 2017, was that the reconciliation of escrow accounts, which is paramount in ensuring the appropriate management of consumer funds, would cost \$1.5 billion and well beyond Licensee's financial capacity.
9. Under IC §24-4.4-2-404(3), the Department may revoke or suspend a license if the Department finds that:
- a) the licensee has repeatedly and willfully violated: (i) this article or any applicable rule, order, or guidance document adopted or issued by the department; or (ii) *any other state or federal laws, rules, or regulations applicable to consumer credit transactions*; (b) the licensee does not meet the licensing qualifications under section 503 of this chapter; (c) the licensee obtained the license for the benefit of, or on behalf of, a person who does not

qualify for the license; (d) the licensee knowingly or intentionally made material misrepresentations to, or concealed material information from, the department; or (e) *facts or conditions exist that, had they existed at the time the licensee applied for the license, would have been grounds for the department to deny the issuance of the license.*

(Emphasis added)

10. Under IC §24-4.5-3-504(3), the Department may revoke or suspend a license if the department finds that:

- a) the licensee has repeatedly and willfully violated: (i) this article or any applicable rule, order, or guidance document adopted or issued by the department; or (ii) *any other state or federal laws, rules, or regulations applicable to consumer credit transactions*; (b) the licensee does not meet the licensing qualifications under section 503 of this chapter; (c) the licensee obtained the license for the benefit of, or on behalf of, a person who does not qualify for the license; (d) the licensee knowingly or intentionally made material misrepresentations to, or concealed material information from, the department; or (e) *facts or conditions exist that, had they existed at the time the licensee applied for the license, would have been grounds for the department to deny the issuance of the license. (Emphasis added)*

11. As of April 20, 2017, twenty-two (22) state mortgage regulators have issued public regulatory orders or charges to subsidiaries of Ocwen Financial Corporation, including Licensee, based on violations of state and federal laws, including the mishandling of consumer escrow accounts, unlicensed activity, and a deficient financial condition.

12. Pursuant to IC §24-4.4-3-104.5(d) and IC §24-4.5-6-106.5(b) the Director may accept and rely on examination or investigation reports made by other government officials within or outside Indiana.
13. Under IC §24-4.4-2-301(h) and IC §24-4.5-1-102(7), a violation of federal law is considered a violation of the Indiana First Lien Mortgage Act and the Indiana Uniform Consumer Credit Code.
14. Upon information and belief, Licensee has engaged in, or is engaging in, acts or practices which warrant the belief that the company is not operating honestly, fairly, soundly, and efficiently in the public interest and/or in violation of standards governing licensing, including violations of state and federal laws.
15. The public interest will be irreparably harmed by delay in issuing a revocation order of the licenses currently held by Licensee.

ORDER OF LICENSE REVOCATION

Given the above factors and the severity of the alleged violations of federal and state laws and in order to protect the interests of the public, the Director is compelled to issue this EMERGENCY ORDER OF REVOCATION under IC §24-4.4-2 and IC §24-4.5-3 and in conformance with IC § 4-21.5-3-6(a)(5) and IC §4-21.5-4.

The Department HEREBY REVOKES:

- 1) Ocwen Loan Servicing, LLC's (NMLS 1852) First Lien Mortgage Lending License No. 21937 originally issued on 06/19/2014;

AND

- 2) Ocwen Loan Servicing, LLC's (NMLS 1852) Subordinate Lien Mortgage Lending License No. 9726 originally issued on 08/26/2004.

ADMINISTRATIVE RIGHTS

- A. Pursuant to IC §4-21.5-4.5, this ORDER shall expire ninety (90) days from the date of issuance referenced below.
- B. Licensee may request a hearing of this revocation order under IC § 4-21.5-4-4.
- C. Upon expiration of this ORDER, Pursuant to IC §24-4.4-2-404(5) and IC 24-4.5-3-504(5), Licensee has the option to notify the Department in writing of its intention to voluntarily relinquish the above referenced licenses.

This order is effective upon issuance, and the above referenced Licenses are hereby revoked and of no force or effect.

Pursuant to statutory authority.

SO EFFECTIVE this 21st day of April, 2017.



Thomas C. Fite, Director
Indiana Department of Financial Institutions

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing was delivered this 21st day of April, 2017, to the following pursuant to the requirements found in IC §24-4.4-2-404(4), §24-4.5-3-504(4), and §4-21.5-4-3:

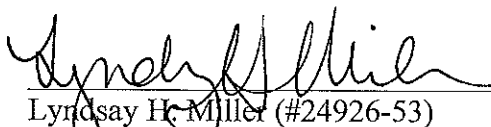
By USPS regular and certified mail
Ocwen Loan Servicing, LLC
c/o Timothy Hayes, General Counsel
1661 Worthington Road, Suite 100
West Palm Beach, FL 33409

By Electronic Delivery
Phyllis R. Caldwell, Chair of the Board
C/O Timothy Hayes, General Counsel
timothy.hayes@ocwen.com

Robert A. Salcetti, Vice Chair of Board
C/O Timothy Hayes, General Counsel
timothy.hayes@ocwen.com

President
Ronald M. Faris
Ronald.faris@ocwen.com

General Counsel
Timothy Hayes
timothy.hayes@ocwen.com


Lyndsay H. Miller (#24926-53)
General Counsel
Indiana Department of Financial Institutions
30 S. Meridian Street, Suite 300
Indianapolis, Indiana 46204
317-232-3955
www.in.gov/dfi